

FOREIGN POLICY BULLETIN

*An interpretation of current international events
by the Research Staff of the Foreign Policy Association*



Univ. of the South
The Library
Property of the Library
of the
University of the South

1918-1948

FOREIGN POLICY ASSOCIATION • INCORPORATED • 22 EAST 38TH STREET • NEW YORK 16, N. Y.

VOL. XXVII NO. 35

JUNE 18, 1948

Will Palestine Truce Lead To Peaceful Compromise?

The UN truce for Palestine which came into effect on June 11, four weeks after Britain withdrew from its former mandate, has brought a respite in the Holy Land fight. But it is doubtful whether the new state of Israel and the countries of the Arab League can look forward to more than an uneasy peace for a month—the time now set for duration of the truce. Both Arabs and Jews have accused each other of violating the agreement, and both have made gloomy forecasts about possibilities of any real settlement in the time afforded by the cease-fire. Much may depend on whether extremist military units on either side can be restrained in the next four weeks. Much also will depend on the ability of the UN mediator, Count Folke Bernadotte, to promote a peaceful adjustment between the disputants, which would be acceptable also to the great powers concerned. Unless a spirit of compromise prevails, it is feared that the trial by battle will be resumed by Jews and Arabs, and a final settlement will come only after more definite military decisions have been reached.

Why a Respite Only?

Four weeks of open warfare in Palestine have not tested the ultimate military strength of either Jews or Arabs. With one notable exception, therefore, the positions of both sides on the central issues at stake remain very much the same as when British rule came to an end. The fact that the new state of Israel has been accorded recognition by several countries, including recognition of its *de facto* status by the United States and *de jure* recognition by Russia, places the Israeli govern-

ment in a much stronger position than that held by the Jewish forces before the full-scale war began. It is hardly reasonable to expect that mediation can alter the determination of the Tel Aviv government to maintain Israel as an independent state. Nor can the Arab League members easily make an about face on the emergence and continued existence of Israel as a sovereign regime. It is on this question that Arab spokesmen have long offered the most vigorous opposition. Even as the truce in Palestine began, King Abdullah of Trans-Jordan said that the Arabs could accept no peace that left an independent Jewish state in the Holy Land.

On two immediate, practical issues—immigration and outside aid—both parties, moreover, will quite naturally wait for time, hoping that it may work to their respective advantage. The truce prevents all governments concerned from introducing any military personnel into Palestine. Nor may men and women immigrants of military age, whom the UN mediator allows to enter Palestine, be trained or mobilized for military duty during the cease-fire period. In addition, the Security Council truce resolution of May 29 prevents all governments concerned, including UN members, from importing or exporting war material into Palestine and the Arab League states.

Israel looks forward to continued immigration in the near future to swell its fighting ranks and to help stabilize the new state. It also hopes for aid from abroad in the form of arms or financial loans. On the other hand, the Arab League states hope that once the truce is over

further military equipment will become available to them. At the moment the truce agreement cuts off supplies going to these states from Britain, including arms which would otherwise be sent to three Arab countries—Egypt, Iraq and Trans-Jordan—in fulfillment of long-standing treaty obligations. Another effect of the one-month truce, which may prove only a respite in the fighting, is that the United States will not soon lift its embargo on arms to the Near East. Should the truce prove futile, however, Tel Aviv will again urge that this country allow military equipment to go to Israel.

Great Powers and the Truce

Achievement of the truce in Palestine turned not only on the accord reached by the Jewish and Arab states, but on grudging agreement among the great powers in the Security Council. The final truce resolution, proposed by London, was agreed to by the United States and Britain, while the Russian representative abstained from voting. It has been attacked by the pro-Zionist press as but another method by which Washington and London could stall on the Palestine problem. Evidence that the great powers are still wide apart on the basic Palestine issues came when Russia asked to send military observers to the Holy Land. Implementation of the truce has been undertaken by military personnel already sent from the United States, France and Belgium—the three members of the Security Council's Truce Commission. Washington and London have consistently tried to prevent active Russian intervention on the spot in Palestine, and now it appears they

Contents of this BULLETIN may be reproduced with credit to the Foreign Policy Association

are drawing closer together to insure that this does not happen.

Some observers at Lake Success believe, however, that a compromise solution for Palestine may be at hand. Firm action on a joint Anglo-American basis might, they suggest, extend peace indefinitely beyond the cease-fire period. Such a compromise would first have to provide for

the continued existence of a sovereign Israeli state, even if that meant some reduction of the area now claimed by Tel Aviv. So far Britain has not recognized the Israeli state, but reports from London imply that such a move may soon be undertaken. Egypt and Syria might be placated by small portions of Palestine territory, the rest (excluding Israel and the

Jerusalem enclave) may be transferred to Trans-Jordan under Abdullah's rule. It is assumed that under such a compromise arrangement Britain, which is closely allied to Trans-Jordan, would thus retain Arab friendship and perhaps acquire a port and military bases in the southern portion of Palestine.

GRANT S. McCLELLAN

Six-Power Accord Sets Pattern For Western Germany

The communiqué issued on June 7 by the six-power London conference on Western Germany marks the first agreed effort of the Allied victors to determine the political and economic pattern of a peacetime German nation. Following the failure of the Big Four last December to agree on the terms of a German peace treaty, the United States and Britain proceeded to merge their occupation areas into Bizonia, and initiated informal discussions with France and with the three Benelux countries—Belgium, the Netherlands and Luxembourg—concerning the future of Western Germany. This was done on the ground that, at present, the re-establishment of German unity is barred by Russia. The main provisions of the arrangements embodied in the communiqué are as follows:

Agreement on Germany

Political. Pending the eventual re-establishment of German unity "on the basis of a free and democratic form of government," the six powers declare "it would be desirable that the German people in the different States should now be free to establish for themselves the political organization and institutions which will enable them to assume those governmental responsibilities which are compatible with the minimum requirements of occupation and control and which ultimately will enable them to assume full governmental responsibility." It is recommended that the Military Governors should hold a joint meeting with the Minister-Presidents of the Western zones in Germany, at which the Minister-Presidents will be authorized to convene a Constituent Assembly on September first in order to prepare a constitution for the approval of the participating States. The constitution, which would then be submitted for ratification by the people of Western Germany, "should be such as to enable the Germans to play their part in bringing to an end the present division of Germany, not by the reconstitution of a centralized Reich but by means of a federal form of government which adequately protects the rights of the respective States, and which at the same time provides for adequate central authority and which guarantees the rights and freedoms of the individual." On June 7 the United States declared that the Western powers will offer the Germans an occupation statute defining German authority in lieu of a peace treaty.

Security. The United States, Britain and France reiterate "the firm views" of their governments

that "there could not be any general withdrawal of their forces from Germany until the peace of Europe is secured and without prior consultation." The governments concerned are to consult if any of them should consider that there is "a danger of resurgence of German military power or of the adoption by Germany of a policy of aggression." During the period in which the occupying powers retain supreme authority in Germany, the prohibitions on the German armed forces and the German General Staff laid down by previous Four-Power agreements are to be maintained; so are also the exercise of controls by the Military Government with respect to disarmament and demilitarization, control of industry, and occupation of key areas.

Economic. The rich coal and industrial area of the Ruhr, core of Germany's prewar economy, is not to be politically separated from Germany, as had been urged by some French spokesmen, but is to be placed under the control of an International Authority for the Ruhr. This International Authority is to be composed of the six London powers and Germany, and is to reach decisions by majority vote—with the United States, Britain, France and Germany holding three votes each, and Belgium, the Netherlands and Luxembourg one vote each. Until the contracting governments decide otherwise, the representative of Germany will be designated and the German vote exercised by the occupying powers.

The International Authority is to control distribution of coal, coke and steel produced in the Ruhr, in accordance with a draft agreement annexed to the communiqué. Distribution is to be arranged in such a way that "on the one hand industrial concentration in that area shall not become an instrument of aggression," and on the other that the area "will be able to make its contribution to all countries participating in a European cooperative economic program, including, of course, Germany itself." When the occupying authorities relinquish their powers, these powers are to be transferred to such international body as may be designated by the peace settlement.

Objections to London Plan

The United States, in a State Department explanation of the London agreement published on June 7, hailed the agreement as a successful answer to the challenge of "economic chaos, distress and despair" presented by Soviet policy on Germany, declaring that it would enable Germany to participate in a program for German and European economic recovery without creating the danger that the Reich's military power might be revived. These views were echoed in London. Objections to the

London program, however, came from France, from German spokesmen in Western Germany and, as had been anticipated by London and Washington, from Russia and the German Communists.

The London proposals reveal important concessions by the United States and Britain to France's desire for security, notably with respect to a federal, instead of a centralized, form of government, international control of the Ruhr, and reaffirmation of Allied intentions to prevent the military resurgence of Germany. Nevertheless, strong opposition to unqualified acceptance of these proposals was immediately expressed in the French National Assembly; and even French Foreign Minister Georges Bidault, while urging their acceptance, said he did so without enthusiasm. Opposition came not only from General de Gaulle, who called for dissolution of the Schuman government and new national elections, and from the Communists, but also from the Socialists and from some representatives of center parties. The principal apprehension of the French today, as it was in 1919, is that Germany will be permitted, and even encouraged to recover, and will do so more rapidly than France, with the result that France's security will again be placed in jeopardy. France's postwar fear of Russia has not diminished its historic fear of Germany. The French recall this country's refusal after World War I to guarantee France against German attack, and have been shaken by the cut in ERP appropriations in the House of Representatives, which is regarded in France as another example of American vacillation and irresponsibility. What France would like to have, as M. Bidault indicated, is a hard and fast military alliance with the United States. The Socialists, moreover, regard international control over distribution of the Ruhr's output as inadequate, and demand international management of the Ruhr.

The principal objections of German spokesmen are that the London program

does not provide for a unified state with a strong centralized government, and that it establishes international control of Ruhr production. These views have been expressed by leaders of the major parties, including the conservative Christian Democrats, staunch opponents of communism. The Social Democrats have also criticized the London plan on the ground that it is "a one-sided foreign decision that lies outside German responsibility." It is difficult to see how the United States and Britain can reconcile the diametrically opposed objections of the French and Germans. German officials have also expressed reluctance to call a Constituent Assembly until after economic questions, notably the proposed currency reform, have been settled.

Meanwhile, Russia and the German

Communists contend that the Western allies are seeking to dismember Germany, to take over Ruhr industries for the benefit of their own industrialists, and to restore Germany's prewar economic system by revival of cartels. Assailing the London program as far worse than the Treaty of Versailles, the Presidium of the Communist-dominated People's Council of the German People's Congress announced on June 13 an eight-point program calling for the establishment of a unified "democratic republic," and the resumption of peace negotiations in which the Germans would be represented and would have the right to discuss all frontier problems, presumably including the contested Polish border. Preparations are being made for the summoning of a Constituent Assembly in the Russian zone, rivaling that

contemplated in the London communiqué, and a vigorous drive is being conducted for signatures to a People's Congress petition for German unity. The Russians have also indicated that they will introduce a currency reform of their own, and have offered the Germans in their zone inducements in the form of additional food and increased wages.

Some on-the-spot observers believe that the immediate result of this vying by the Allied victors for German support will be that the defeated Germans, taking advantage of their favorable bargaining position, will attempt to resume their policy of the interwar years, and successfully play off East against West, to the ultimate benefit of the German state.

VERA MICHELES DEAN

Foreign Policy—Record of the 80th Congress

WASHINGTON—The legislative requirements of United States foreign policy have heavily burdened the second session of the Eightieth Congress, which convened on January 7 and is now drawing to a close. The history of this session has underlined a familiar problem. This problem is that the American system of separation of powers creates special difficulties for the President and the Secretary of State, since neither can ever be confident that Congress will honor the commitments they make to foreign governments in the name of the United States. Congress has acted on almost all the foreign policy proposals submitted to it by the White House, the State Department, and the armed forces, but wherever major matters of policy have been concerned, that body has seriously modified the details of Administration proposals. On the whole, however, Congress has supported the foreign policy of the Administration during the present session.

Economic Foreign Policy

The Administration has relied on economic factors as the chief source of American strength in world affairs, and Congress to a degree has followed suit. But the Economic Cooperation Act of 1948, passed by Congress on April 2, shows how the Administration proposes and Congress dis-

poses. Although the law is the fruit of recommendations made by Secretary of State Marshall, Congress refused to follow his suggestions with respect to the administration of the act, the length of its life, and the amount of money to carry out its purposes. Over Marshall's opposition, Congress insisted on including China in the ECA. The House voted to include Spain among the direct beneficiaries, but following Marshall's intercession this provision was removed by the Senate. The House, in approving the aid program, authorized an expenditure of \$5.3 billion to promote European recovery from April 1, 1948 to June 30, 1949, but on June 4 refused to appropriate more than \$4 billion for the undertaking. This reduction, Secretary Marshall declared, could change the character of ECA from a recovery program to a relief program.

The House, moreover, modified the Administration's reciprocal trade bill, a principal instrument of foreign policy. On March 1 President Truman asked Congress to renew for three years his authority to make agreements with foreign governments for the reduction or increase of American tariff schedules by 50 per cent on a universal most-favored-nation basis. The House on May 26 extended this authority, but for only one year, with the

requirement that much greater emphasis be put on protecting American industry against foreign competition. The House also reduced by \$208 million the amount of aid which it had previously authorized for China, Greece, Turkey, Japan, the Ryukus, and Korea. On April 8 Truman asked Congress to increase the lending authority of the Export-Import Bank by \$500 million. The Senate approved this measure on June 1, but the House has not yet acted on it.

Military and Collective Action

Congress met the Administration half way on military measures conceived as buttresses for foreign policy. President Truman asked for a peacetime draft law on March 17, and three months later Congress, after modifying details without altering the substance, had almost completed action on the request. But Congress refused to consider the President's corollary request for a universal military service program and, instead, against the expressed wishes of Secretary of Defense Forrestal, authorized the establishment of an air force of 70 groups—larger than the Administration wanted. In keeping with the observation that Mr. Truman made to Congress on March 17—"I am sure that the determination of the free countries of Europe to protect themselves will be

FOREIGN POLICY BULLETIN. Vol. XXVII, No. 35, JUNE 18, 1948. Published weekly from September through May inclusive and biweekly during June, July and August by the Foreign Policy Association, Incorporated. National Headquarters, 22 East 38th Street, New York 16, N. Y. BROOKS EMENY, *President*; HELEN M. DAGGETT, *Secretary*; VERA MICHELES DEAN, *Editor*. Re-entered as second-class matter June 4, 1948, at the Post Office at New York, N. Y., under the Act of March 3, 1879. Four Dollars a Year. Please allow at least one month for change of address on membership publications.

F. P. A. Membership (which includes the Bulletin), Six Dollars a Year.

Produced under union conditions and composed and printed by union labor.

matched by an equal determination on our part to help them to do so"—the Senate on June 11 passed by 64 to 4 a resolution encouraging the President to offer American military support to countries banded together by regional arrangements for self-defense, but with the implied provision that the President could not act on a military guarantee without the specific approval of Congress.

Congress gave mild support to the principle of international co-operation. With the encouragement of the Administration, it rejected a proposal that the United States summon a conference for revision of the UN Charter. It approved the Administration bills authorizing American membership in the Caribbean Commission and the South Pacific Commission. One week before Congress hoped to vacate the Capitol, both House and Senate seemed prepared to authorize the United States to join the World Health Organization. Ostensibly supporting the International Refugee Organization, the Senate on June 2 voted 63 to 13 to admit 200,000 displaced persons to the United States, but restrictions respecting occupation and place of origin weakened the potential effectiveness of this measure for alleviating the problem of the stateless refugees in Central Europe. The House offered hope that it would pass a less discriminatory bill. On June 8 the House Foreign Affairs Committee approved a resolution authorizing the United States to lend \$65 million interest-free to the UN for the construction of UN headquarters in New York City, but the possibility that House and Senate would approve the resolution was slight, although Marshall had assured the UN in writing that America would put up the money. In general, the principal opposition to Administration proposals came from the House of Representatives, especially from Congressmen representing the Middle West and the Far West, while the Senate, under the leadership of Senator Vandenberg, vigorous supporter of bipartisan foreign policy, co-operated closely with the Administration.

BLAIR BOLLES

More Than Conquerors, by Otto Tod Mallory. New York, Harper, 1947. \$3.00

The author is convinced that the proposed International Trade Organization is the key to world peace and prosperity. He also notes the importance of sustained, high-level employment in the United States. In a discussion of Soviet foreign policy, he expresses the view that fear is the motivating factor. Our policy toward Russia, he writes, should continue to emphasize that "the best form of collective security is collective prosperity."

Citizens and Foreign Policy

I. The Challenge

In this dynamic and dangerous era of world affairs the United States needs above all the wisest possible foreign policy, consistent in purpose and dedicated to agreed objectives. Our enormous national power can contribute decisively to the solution of complex world issues. But it can also bring to utter ruin the hopes of mankind for a better world.

Recent Congressional action with respect to the Reciprocal Trade Program and attempts of the House to reduce by 25 per cent promised appropriations for the European Recovery Program are, to say the least, sobering in their implications. Such actions, whether manifestations of ignorance, irresponsibility or selfish politics, must likewise be taken as a direct reflection of opinion among important segments of the population.

American public opinion has, of course, progressed from the utter paralysis of past provincialism to a growing sense of responsibility. But it still has a long way to go before we shall have arrived at the degree of public understanding of world issues which can insure an intelligent response to the full implications of our new responsibilities. The march of world events has become so rapid and so relentless that we dare not falter for a moment in our efforts to keep abreast of their full implications. Any repetition of the colossal policy blunders of past years, at this stage of history, can prove disastrous.

America has already paid a fearful price for the luxury of public ignorance. The memoirs of Churchill, Stimson, Hull and other distinguished statesmen give all too painful evidence of the fact that public misunderstanding of or indifference to international problems, produced time and again policies which doomed all hope of peace and led inevitably to World War II. Winston Churchill summarized the inter-war period as follows: "It is difficult to find a parallel to the unwisdom of the British and the weakness of the French governments who none the less reflected the opinion of their Parliaments in this disastrous period. Nor can the United States escape the censure of history. Absorbed in their own affairs and all the abounding interesting activities and accidents of a free community, they simply gaped at the vast changes which were taking place in Europe, and imagined they were no concern of theirs. . . . The

Americans merely shrugged their shoulders, so that in a few years they had to pour out the blood and treasures of the new world to save themselves from mortal danger."

It should be evident by now that Americans can no longer afford the luxury of being "spectators" in the arena of world affairs. We have already paid for this luxury by two wars. World War II alone cost us well over \$300 billion and a million casualties. During the next fiscal year the American taxpayer will pay further tribute to past failures to the amount of about \$30 billion. This colossal sum embraces the maintenance of our huge armed forces, veterans' services and benefits, carrying charges on our war debt and last, but not least, the cost of foreign aid.

Contrast the above figure of \$30 billion with that of \$197 million, the amount assigned to the Department of State for the coming year. Contrast again these two figures with the \$1 million that represents the average amount at present available in this country to private organizations, including the Foreign Policy Association, which are engaged in essential programs of citizens' education.

Professor Thomas A. Bailey in his recent study, *The Man in the Street—The Impact of American Public Opinion on Foreign Policy*, observes: "In a dictatorship, the masses must be deceived; in a democracy, they must be educated." One asks, therefore, what there is in the make-up of American citizens which makes them cheerfully assume the taxes involved in meeting an annual tribute of \$30 billion as the carrying charge for past failures of our foreign policy, whereas they will refuse for the most part any contribution toward the support of institutions dedicated to the citizens' education in foreign policy.

These facts are, of course, generally known to members of the Foreign Policy Association. Their very membership denotes concern over them. Individually we are rather helpless to do much about it. Collectively, however, the opportunity is ours to make the greatest impact upon the thinking of the citizens of this country that has ever been achieved. The ways and means will be the subject of the articles to follow.

BROOKS EMENY

(This is the first of a series of six articles by the president of the Foreign Policy Association, on the subject of "Citizens and Foreign Policy.")